

Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 IO-11 ISO-00 CIAE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

SAM-01 SAJ-01 AF-06 OPIC-03 OPR-02 COME-00 EB-07

LAB-04 SIL-01 /101 W

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R 230642Z JAN 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 5760

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMCONSUL OPORTO

AMEMBASSY OSLO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

AMEMBASSY COPENHAGEN

AMEMBASSY CARACAS

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 0488

E.O. 11652: XGDS-4

TAGS: ELAB, PINT, PO

SUBJ: STRUGGLE HEATS UP FOR CONTROL OF LABOR MOVEMENT

REF: (A) LISBON 0359 (DTG 161659 JAN 76), (B) LISBON 400

(DTG 2010009 JAN 76), (C) LISBON 449 (DTG 211727Z JAN 76)

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1. SUMMARY: RECENT DEVELOPMENTS HAVE REINFORCED THE POSITIONS

ADOBTED BY THE FACTIONS CONTENDING FOR CONTROL OF ORGANIZED LABOR.
ON ONE SIDE, INDIVIDUAL NON-COMMUNIST UNIONS AND THE MINISTRY
OF LABOR HAVE STRENGTHENED THEIR COMMON OPPOSITION TO THE
COMMUNIST PARTY (PCP)-CONTROLLED CONFEDERATION, INTERSENDICAL.
THE COMMUNISTS, ON THE OTHER SIDE, RETAIN SIGNIFICANT
ASSETS AND EXPECT BENEFIT FROM RISING LABOR DISCONTENT
OVER THE GOVERNMENT'S AUSTERITY PROGRAM. THEY ARE HAMPERED,
HOWEVER, BY REVELATIONS OF THEIR INVOLVEMENT IN THE NOVEMBER 25
ATTEMPTED COUP. END SUMMARY.

2. DEVELOPMENTS WITHIN NON-PCP UNIONS: BURSTS OF GUNFIRE DURING A
TWO-HOUR STRIKE BY LISBON RETAIL WORKERS LEFT ONE DEAD
AND SIX WOUNDED JANUARY 21 (REF A). THE 42,000 MEMBER COM-
MERCIAL WORKERS UNION WAS DEMANDING THAT THE RETAILER'S ASSOCIATION
RESUME COLLECTIVE BARGAINING FOR A NEW CONTRACT. THE RETAILERS
MAINTAIN THEY ARE PREVENTED FROM DOING SO BY THE GOVERNMENT'S
FREEZE ON CONTRACT NEGOTIATIONS. THE STRIKE CALL WAS WIDELY
OBSERVED OMONG THE LARGER, UNIONIZED BUSINESS ESTABLISHMENTS
BUT WAS IGNORED BY MANY SMALLER SHOPS IN OUTLYING AREAS.

3. THE COMMERCIAL WORKERS UNION IS LED BY A MIXED GROUP FROM
THE SOCIALIST PARTY AND FROM BASE-UNITED WORKERS FRONT (BASE-
FUT). (SEE REF B, PARA 5 FOR COMMENTS ON BASE-FUT). THE
COMMERCIAL WORKERS SECRETARY-GENERAL JOSE DIAS RODRIGUEZ IS
A BASE-FUT LEFT-WINGER WHO HAS PREVIOUSLY BEEN IDENTIFIED
WITH A LATIN AMERICAN REVOLUTIONARY GROUP IN LISBON. HOW-
EVER, INDICATIONS ARE THAT THE VIOLENCE WAS PRECIPITATED BY
UNEMPLOYED YOUTHS AND STREET GANGS RATHER THAN ENFORCE-
MENT EFFORTS BY THE STRIKERS.

4. DEVELOPMENTS WITHIN INTERSINDICAL: THE CONFEDERATION
HELD A TWO-DAY PLENARY SESSION IN CAIMBRA JAN 16-17. FOLLOW-
INF THE SESSION, WHICH WAS CLOSED TO THE PRESS, INTERSINDICAL
ANNOUNCED THAT IT WAS DEMANDING THAT THE GOVERNEMNT ROLL BACK
PRICES TO THEIR PRE-NOVEMBER 25, 1975 LEVEL OR FACE THE
POSSIBILITY OF A GENERAL STRIKE. THERE ARE ALREADY REPORTS
THAT INTERSINDICAL IS PROMOTING A NATION-WIDE PROTEST STRIKE
FOR FEBRUARY 15.

5. THE PUBLICATION OF THE GOVERNMENT INVESTIGATIVE COMMS-
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SIONS'S REPORT DOCUMENTING INSTANCES OF INVOLVEMENT IN THE
ATTEMPTED COUP OF NOV 25 BY INTERSINDICAL, INDIVIDUAL UNIONS,
AND THE WORKERS COMMISION OF THE LISBON INDUSTRIAL BELT, HAS
PROVOKED LITTLE SURPRISE. HOWEVER, THE IDENTIFICATION OF THESE
ORGANIZATIONS IN THE ATTEMPTED COUP IS FURTHER PROOF OF THEIR
POLITICAL ORIENTATION. MINISTER TOMAS ROSA EARLIER INDICATED
PRIVATELY THAT INTERSIDNDICAL'S
INVOLVEMENT IN THE COUP WOULD AID HIS EFFORTS TO REMOVE

LEGAL RECOGNITION FROM THE CONFEDERATION.

6. EFFORTS BY NON-PCP UNIONS TO OPPOSE INTERSINDICAL'S LEADERSHIP: IN AN IMPORTANT DEVELOPMENT THE SOUTHERN BANK WORKERS, WHICH INCLUDES THE LISBON AREA, VOTED BY A 2 TO 1 MAJORITY TO REMAIN WITHIN INTERSINDICAL IN ORDER TO WORK FROM WITHIN IN FAVOR OF A REPRESENTATIVE, DEMOCRATIC CONFEDERATION. THE VOTE SUPPORTED THE RECOMMENDATION OF THE SOCIALIST-CONTROLLED BANK WORKERS LEADERSHIP AND PRESAGES SIMILAR EFFORTS BY OTHER NON-COMMUNIST UNIONS.

7. TWELVE UNIONS PRESENT AT THE INTERSINDICAL PLENARY MEETING IN COIMBRA SUPPORTED SEATING THE ANTI-PCP PHARMACEUTICAL WORKERS IN OPPOSITION TO THE RULING BY INTERSINDICAL. THOSE IN OPPOSITION INCLUDED THE JEWLERS, DRAFTSMEN, COMMERCIAL, CLERICAL, BANK, AND INSURANCE UNIONS OF LISBON.

8. A GROUP OF SEVEN NORTHERN UNIONS HAVE SUPPORTED THE GOVERNMENT'S AUSTERITY PROGRAM IN A POLICY STATEMENT DIRECTLY OPPOSING THE INTERSINDICAL LINE. THE SEVEN INCLUDED THE CHEMICALS, DRAFTSMEN, CLERICALS, RETAIL CLERKS, CHAUFFEURS, ELECTRICALS, AND TELEPHONE WORKERS. THE NORTHERN TEACHERS UNION HAS ELECTED A SOCIALIST/POPULAR DEMOCRATIC/MRPP LEADERSHIP BY NEARLY 80 PERCENT OF THE 12,000 VOTES CAST.

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9. DEVELOPMENTS WITHIN MINISTRY OF LABOR: MINISTER OF LABOR TOMAS ROSA IS CONTINUING TO CONSOLIDATE HIS POSITION WITHIN THE MINISTRY. THE MINISTRY IS CURRENTLY ATTEMPTING TO FORMULATE AN OVERALL WAGE POLICY, CARRY OUT A STRUCTURAL REORGANIZATION, AND POSSIBLY INSTITUTE A WAGE FREEZE ON ALL PERSONS EARNING MORE THAN 360 DOLLARS PER MONTH. THE OVERALL WAGE POLICY SHOULD BE CONFIDENTIAL

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READY FOR PRESENTATION BY THE END OF FEBRUARY SO THAT THE GOVERNMENT WILL HAVE A COHERENT PROGRAM WHEN THE CURRENT FREEZE ON COLLECTIVE BARGAINING ENDS FEB 29.

10. THE STRUCTURAL REORGANIZATION OF THE MINISTRY IS MORE APPARENT THAN REAL, BUT IS A DISGUISED METHOD OF REPLACING PCP ADHERENTS WITHIN THE MINISTRY. INTERSINDICAL HAS REPEATEDLY ATTACKED MINISTER TOMAS ROSA FOR HIS "PURGES OF THE LEFT" AND HAS RECENTLY ACCUSED HIM OF REPLACING SIX "PROGRESSIVE" REGIONAL DIRECTORS OF LABOR, INCLUDING THOSE AT BRAGA AND COIMBRA.

11. THE WISDOM OF A PROPOSAL TO FREEZE ALL WAGES ABOUT 360 DOLLARS A MONTH IS STILL BEING DEBATED WITHIN THE MINISTRY. SOME ARGUE THAT THERE IS ALREADY TOO LITTLE INCENTIVE FOR WORKERS TO SEEK MORE SKILLED JOBS AS THE SMALL INCREASED INCOME DOES NOT COMPENSATE FOR THE ADDITIONAL RESPONSIBILITIES.

12. MINISTER TOMAS ROSA IS ALSO INVESTIGATING THE ACTIVITIES OF FORMER MINISTER OF LABOR COSTA MARTINS. PLANTED PRESS ARTICLES REPORT THAT COSTA MARTINS DEPOSITED 3,200,000 DOLLARS DONATED BY PORTUGUESE WORKERS WHO GAVE "A DAY'S LABOR TO THE NATION" TO HIS PERSONAL ACCOUNT AND THAT THERE IS NO RECORD OF THE EXPENDITURES. (COSTA MARTINS IS STILL A FUGITIVE FOR

HIS PARTICIPATION IN THE ATTEMPTED COUP OF NOV 25.)

13. COMMENT: THERE IS AN INCREASING WILLINGNESS OF NON-PCP UNIONS TO TAKE STANDS IN OPPOSITION TO INTERSINDICAL. THIS WILLINGNESS IS NOT YET MATCHED BY THEIR ABILITY TO MAKE THEIR OPPOSITION EFFECTIVE AND IS HAMPERED BY A LACK OF COORDINATION BETWEEN ANTI-PCP UNIONS IN THE OPORTO AND THE LISBON AREAS.

14. SOME OBSERVERS ARE STILL UNDECIDED WHETHER IT IS MORE PRODUCTIVE TO ATTACK PCP CONTROL OF INTERSINDICAL FROM WITHIN THE CONFEDERATION, OR TO CREATE A COMPETING ORGANIZATION WHILE ATTEMPTING TO DESTROY INTERSINDICAL'S EFFECTIVENESS. THE LISBON BANK WORKERS DECISION TO REMAIN WITHIN INTERSINDICAL TO OPPOSE ITS LEADERSHIP REINFORCES A DEFINITE TREND TOWARD THIS STRATEGY. MOST EUROPEAN LABOR REPRESENTATIVES AND PARTICULARLY THOSE FROM THE UK, NORWAY, AND THE FRG ENDORSE

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THIS POLICY AND OPPOSE ACTIVITY WHICH WOULD RESULT IN A DIVIDED LABOR MOVEMENT IN PORTUGAL.

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